AMERICAN EMBASSY

Rome, Italy, September 18, 1947

DEPARTMENT OF STATE A/CDG/MR
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DEPARTMENT OF STATE
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OCT 13 1947
TREATY BRANCH
OFFICE OF THE LEGAL ADVISER

No. 1622

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THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to confirm, as reported in my telegram no. 2777 of September 16, that negotiations for a treaty of friendship, commerce and navigation with Italy were formally opened September 16 at the Foreign Office. Prepared statements were read by Ivan Matteo Lombardo, Chairman of the Italian delegation, and by me. Copies of these statements are enclosed for the records of the Department. After reading the prepared statement, I referred briefly to my connection, when Chief of the European Division of the Department of State, with the unsuccessful negotiations for a similar treaty with Italy in 1936, and to the fact that the obstacles that then prevented the conclusion of a satisfactory agreement no longer exist. I also informed the Italian group that, while I would be closely following the course of the negotiations, I would be entrusting the principle burden of their conduct to Mr. Vernon C. Setser (reference Department's telegram no. 1566 of September 2) of the Department and to Messrs. Ainsworth and Walmsley of my staff.

After setting upon procedures, including preparation of the minutes in English by the American group, and the schedule of meetings, we adjourned to 10 a.m. September 18.

The Foreign Office released to the press a brief announcement, the text of which was transmitted in my confidential telegram of September 16, concerning the opening of the negotiations.

The interest the Italian Government takes in the negotiations, and importance it attaches to them, is suggested by the array of representatives on the Italian delegation at the first meeting. They included:

Ivan

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No. 1
Enclosure to Despatch No. 1622,
September 18, 1947, Rome.

Mr. Ambassador,

The task entrusted to me last May by my Government to proceed to Washington to undertake negotiations with the Government of the United States for a final settlement of many important financial and economic questions deriving from the war has been for me a very gratifying one.

Beyond the practical results which my mission was able to attain, I believe to be speaking the truth when I state that to have set the complex economic and financial relations between the two Countries on a basis of sincere comprehension and of reciprocal trust, is one of the principal results reached by the Washington discussions.

There is moreover no doubt that the manner in which the negotiations have taken shape and have been concluded has strengthened and clarified the friendly relations between our two Countries.

It has likewise been a particularly gratifying task for me to preside the preliminary discussions connected with the proposed Treaty of Friendship, Commerce and Navigation; discussions which were concluded to the complete satisfaction of both parties, thereby emphasizing the common aspiration of the two Countries for a close cooperation in the economic and commercial fields.

It is consequently obvious, Your Excellency, that I feel indeed happy to have been appointed to complete, by the present negotiations, the work which was started with the American Delegation in Washington.

My Government is fully aware of the great importance which the conclusion of a Treaty of Friendship, Commerce and Navigation with the United States can have for the economic future of Italy; this specially for two considerations:

First of all: the invitation received by the Italian Government from the Government of the United States to enter into such a Treaty constitutes by itself a proof of the friendly intentions of its Government towards my Country.

Together

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Together with the many important provisions such as the "suspense accounts", the "surplus contracts", the AUSA program, the commercial loans and the liberal concessions in the financial and maritime fields negotiated by me in Washington, indeed manifold clear manifestations of the willingness of the United States to help and support Italian economy, this proof is the best guarantee that the external aid indispensable for our reconstruction will not fail to a people who although fraught by endless difficulties is moved by the firm resolve not to perish and to again get on his feet.

Moreover as the Treaty proposed by your Country is only one of a number of Treaties which shall constitute a multilateral network of friendly relations between the United States and the main countries of all continents, it is of particular interest to Italy to enter into such a Treaty of friendship and commerce with the United States in order to thereby insert itself in the framework of friendly commercial international relations.

This step cannot but facilitate the difficult task which best the Italian Government since the day of liberation in shaping its foreign policy, that of reconstructing along democratic and friendly lines the traditional relations of Italy which although formally interrupted by a doloful war, have always remained deeply rooted in the Italian people.

Moved by this sincere spirit of collaboration and friendship, I welcome Your Excellency and the American Delegation on the occasion of this first meeting, expressing the wish that our negotiations may be speedily concluded to the mutual interest and the reciprocal advantage of our two Countries.

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1022, September 16, 1947, Rome.

REMARKS BY AMERICAN AMBASSADOR, THE HONORABLE JAMES CLEMENT DUNN, AT THE OPENING OF NEGOTIATIONS FOR A TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION BETWEEN THE UNITED STATES AND ITALY, TUESDAY, SEPTEMBER 16.

It gives me great pleasure to be present at the initiation of this important work--the negotiation of a treaty of friendship, commerce and navigation between our two Governments. My Government assigns very considerable importance to this type of treaty, and has entered upon a broad program directed to the extension and modernization of its commercial treaty structure. It considers these treaties as providing an essential legal basis for the conduct of mutually satisfactory relations in many broad fields of activity. Significantly, this negotiation is the first in this new program to be entered upon with a European country.

Satisfactory principles to serve as the basis for future relations between nations can only be established by mutual agreement and consent. As I stressed again on Sunday at Bari, the United States seeks no special or exclusive privileges in Italy. Although my Government has submitted the initial treaty project, it did so with the full prior consent and agreement of your Government, and for the purpose of providing proposals to serve as a basis of discussion. It is my hope that this treaty will be negotiated and concluded in the light of a full understanding by each party of the problems and needs of the other.

This type of instrument is, of course, nothing new in the relations between Italy and the United States. The first Italo-American treaty of friendship, commerce and navigation was concluded with the Kingdom of Sardinia in 1838, one hundred nine years ago. Similar treaties were made with the Kingdom of the Two Sicilies in 1845 and 1855. Upon the completion of the unification of Italy, a new treaty of friendship, commerce and navigation to replace those with the separate Italian states was signed in 1871. This agreement continued for sixty-five years to contribute to friendly understanding and mutually advantageous economic relations between our two peoples. When it became evident, by 1937, that the commercial policies of Fascist autarchy were out of rhythm with the liberal precepts of the treaty and made it unworkable, the treaty was terminated in favor of the negotiation of a new one more responsive to modern conditions. That

negotiation

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negotiation failed because of difficulties closely related to the then existing international situation on which there is no need to elaborate today.

We now take up the work of negotiating a new treaty under auspicious circumstances. I have every confidence that the discussions can be brought to a prompt and mutually satisfactory conclusion, and to that end I assure you that my Government is prepared to make every possible contribution.

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